

American Medical Association

Physicians dedicated to the health of America



Michael D. Maves, MD, MBA 515 North State Street
Executive Vice President, CEO Chicago, Illinois 60610

June 26, 2003

The Honorable Earl Pomeroy
U.S. House of Representatives
1110 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Pomeroy:

On behalf of the physician and student members of the American Medical Association (AMA), we thank you for your strong efforts to improve the delivery of health care to Medicare beneficiaries and to those in rural areas across the country.

We greatly appreciate your support of H.R. 2473, the "Medicare Prescription Drug and Modernization Act of 2003," as approved by the House Ways and Means Committee. This legislation contains critical Medicare payment update provisions that will help avert a Medicare meltdown.

Without action by Congress, a 4.2% cut is projected for 2004 and additional cuts are expected in years thereafter. A cut in 2004 would be the fifth cut since 1991. Your state of North Dakota would lose \$7 million in health care dollars in 2004, and this would be on top of a \$6 million loss already suffered by your state as a result of a 5.4% across-the-board payment cut in 2002.

From 1991-2003, payment rates for physicians and health professionals fell 14% behind practice cost inflation, as measured by Medicare's own conservative estimates. H.R. 2473 would provide relief to the continuing physician payment crisis by establishing positive updates for 2004 and 2005 of not less than 1.5% in each of these years.

As you know, a number of surveys have indicated that physicians are increasingly limiting how many Medicare patients they see and that more will be forced to do so if payments are cut again. Cuts in Medicare payments also jeopardize access to medical care for military retirees and dependents because their TRICARE insurance ties its payment rates to Medicare.

The AMA also appreciates your efforts in the Ways and Means Committee to improve health care in rural areas and generally to protect access to needed medical care for senior and disabled Americans. We look forward to working with you to achieve a successful outcome to these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read "MD Maves", written in a cursive, flowing style.

Michael D. Maves, MD, MBA